SENATE MAJORITY LEADER KEN SIKKEMA

NEWS RELEASE

MI Senate Closer to Balanced Budget

GOP-led Senate Finds $120 million Without Raising Taxes

LANSING – The Republican-controlled Michigan Senate today adopted four funding proposals by Governor Granholm and has put forward its own legislation to generate more than $120 million in much-needed state revenue.

"We are well on our way to a balanced budget," Senate Majority Leader Ken Sikkema said today. "Our initiatives to balance the budget coupled with these four proposals by the governor help us meet our budget priorities without having to raise taxes on Michigan's working families."

Through its own legislative initiatives, the Senate has proposed or adopted more than $120 million in new revenue sources without the need to raise taxes. Most of the revenue comes from the Michigan Driver Responsibility Program, which adds additional license fees for habitually bad drivers with seven or more points, and the Claim It Correctly program, which stops property owners from receiving more than one Homestead Property Tax Credit.

(M O R E)

The four governor-sponsored proposals will generate nearly $18.8 million by making sure Michigan tax code is applied as the Legislature intended. These proposals would: impose the same income tax on non-resident casino winnings as for Michigan residents; clarify that all non-resident business income earned in Michigan will be taxed at the U.S. constitutional limit; require "flow-through" entities to pay Michigan Income Tax on distributive income of non-residents; and extend corporate officer tax liability provisions to limited liability corporation and partnership members in similar positions.

"Our plan always has been to balance Michigan's budget without raising taxes and we are doing that," Sikkema said. "Through creating appropriate fees for some of the services government provides, and adjusting fees that have been untouched for years, we have found revenue sources that help get us to a balanced budget."

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